

AMENDED IN ASSEMBLY JANUARY 3, 2000

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

ASSEMBLY BILL

No. 1098

**Introduced by Assembly Member Romero
(Coauthors: Assembly Members Aroner, Firebaugh, Honda,
and Keeley)**

February 25, 1999

An act to ~~add Chapter 6 (commencing with Section 11500)~~
~~to Part 1 of Division 3 of the Unemployment Insurance Code,~~
~~relating to jobs; amend Section 14171.6 of the Welfare and~~
~~Institutions Code, relating to health.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 1098, as amended, Romero. ~~Jobs~~ Medi-Cal.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Services, pursuant to which medical benefits are provided to public assistance recipients and certain other low-income persons.

Existing law defines a provider for the purposes of the Medi-Cal program.

This bill would revise the definition of a provider for that purpose.

~~Existing law contains programs for unemployment compensation and job creation. Among other things, existing law provides for employment and employability programs under the direction of the Employment Development Department.~~

~~This bill would create the Communities First! Jobs Program to create public service jobs. The program would be supervised by a director employed by the Employment Development Department. The director would enroll eligible workers to be employed by appropriate state or local public agencies. The bill would establish various requirements for the eligibility of workers, and provide for the types of jobs, including wage and benefit requirements, that would be made available to program workers. The bill would require annual reports to the Legislature concerning the program's operation.~~

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 ~~SECTION 1. (a) The Legislature finds and declares~~
2 ~~SECTION 1. Section 14171.6 of the Welfare and~~
3 ~~Institutions Code is amended to read:~~
4 14171.6. (a) (1) Any provider, as defined in
5 paragraph (3), that obtains reimbursement under this
6 chapter to which it is not entitled shall be subject to
7 interest charges or penalties as specified in this section.
8 (2) When it is established upon audit that the provider
9 has not received reimbursement to which it is entitled,
10 the department shall pay the provider interest assessed at
11 the rate, and in the manner, specified in subdivision (h)
12 of Section 14171.
13 (3) For purposes of this section, "provider" means ~~any~~
14 ~~provider of services, as defined in subdivision (a) of~~
15 ~~Section 51051 of Title 22 of the California Code of~~
16 ~~Regulations~~ any individual, partnership, group,
17 association, corporation, institution, or entity and the
18 officers, directors, employees, or agents thereof, that
19 provides services, goods, supplies, or merchandise,
20 directly or indirectly, to a Medi-Cal beneficiary and that
21 has been enrolled in the Medi-Cal program.
22 (b) When it is established upon audit that the provider
23 has claimed payments under this chapter to which it is not
24 entitled, the provider shall pay, in addition to the amount

1 improperly received, interest at the rate specified by
2 subdivision (h) of Section 14171.

3 (c) (1) When it is established upon audit that the
4 provider claimed payments related to services or costs
5 that the department had previously notified the provider
6 in an audit report that the costs or services were not
7 reimbursable, the provider shall pay, in addition to the
8 amount improperly claimed, a penalty of 10 percent of
9 the amount improperly claimed after receipt of the
10 notice, plus the cost of the audit.

11 (2) In addition to the penalty and costs specified by
12 paragraph (1), interest shall be assessed at the rate
13 specified in subdivision (h) of Section 14171.

14 (3) Providers that wish to preserve appeal rights or to
15 challenge the department's positions regarding appeal
16 issues may claim the costs or services and not be
17 reimbursed therefor if they are identified and presented
18 separately on the cost report.

19 (d) (1) When it is adjudicated that the provider
20 fraudulently claimed and received payments under this
21 chapter, the provider shall pay, in addition to that portion
22 of the claim that was improperly claimed, a penalty of 300
23 percent of the amount improperly claimed, plus the cost
24 of the audit.

25 (2) In addition to the penalty and costs specified by
26 paragraph (1), interest shall be assessed at the rate
27 specified by subdivision (h) of Section 14171.

28 (3) For purposes of this subdivision, a fraudulent claim
29 is a claim upon which the provider has been convicted of
30 fraud upon the Medi-Cal program.

31 (e) Nothing in this section shall prevent the imposition
32 of any other civil or criminal penalties to which the
33 provider may be liable.

34 (f) Any appeal to any action taken pursuant to
35 subdivision (b), (c), or (d) is subject to the administrative
36 appeals process provided by Section 14171.

37 (g) As used in this section, "cost of the audit" includes
38 actual hourly wages, travel, and incidental expenses at
39 rates allowable by rules adopted by the State Board of
40 Control and applicable overhead costs that are incurred

1 by employees of the state in administering this chapter
2 with respect to the performance of audits.

3 (h) This section shall not apply to any clinic licensed
4 pursuant to subdivision (a) of Section 1204 of the Health
5 and Safety Code.

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8 **All matter omitted in this version of the**
9 **bill appears in the bill as introduced in the**
10 **Assembly, February 25, 1999 (JR 11)**
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